



An **AEP** Company

BOUNDLESS ENERGY™

May 22, 2024

The Honorable Dick Stein
Chairman
House Public Utilities Committee
77 South High Street
Columbus, Ohio 43215

Chairman Stein and committee members:

I am Steve Nourse, VP - Legal for AEP Ohio and I write to provide proponent testimony on House Bill 260 (HB 260).

AEP Ohio applauds the efforts of the bill sponsors to modernize and improve the efficiency of the regulatory process. While we look forward to discussing several suggested amendments with the committee, we support the sponsors in their work to maintain predictability and stability while enacting improvements to electric utility base rate cases.

The proposal to authorize electric utilities to utilize fully forecasted test years is a welcomed development that will reduce regulatory lag and allow Ohio to join many surrounding states that allow its use.

We also appreciate the recognition from the bill sponsors of the critical role of cybersecurity for electric utilities. By specifically creating a tracker to recover cybersecurity expenses, the legislation acknowledges the round the clock effort of electric utilities and our security partners to maintain a secure grid.

Finally, the legislation makes several common-sense changes to modernize current notice requirements by allowing them to appear in newspaper websites rather than requiring them to appear in print.

AEP Ohio must continue to make capital investments in the grid to benefit communities across Ohio to continue the recent success in growing the state's economy. We appreciate the conversation that HB 260 has initiated on the importance of a modern regulatory process, and we look forward to offering suggestions to balance and strengthen the bill. In addition to technical language amendments, our limited but important amendments will relate to ensuring recovery of reasonable labor costs and harmonizing the new ratemaking concepts with the existing statutory framework in Chapters 4909 and 4928 of the Revised Code.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Nourse". The signature is fluid and cursive, written over a light blue horizontal line.

Steve Nourse, VP - Legal